

NITYAS GEMS AND JEWELLERY LIMITED

CIN NO: U36996GJ2022PLC131404

POLICY ON VIGIL MECHANISM

1. INTRODUCTION

Nityas Gems and Jewellery Limited being listed company requires to establish a vigil mechanism for directors and employees to report the genuine concerns as per the provisions of the section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in such manner as may be prescribed.

In terms of Regulation 4(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), it is mandatory requirement for all listed companies to devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

2. SCOPE

This Policy covers malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, any instances of leak of unpublished price sensitive information and / or other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers. This Policy is intended to encourage and enable employees to raise serious concerns within the Company prior to seeking resolution outside the Company.

Under this policy all employees of the company are eligible to make protected disclosures in relation to matters concerning the Company.

3. DEFINITIONS

(a) "**Audit Committee**" means the Audit Committee constituted by the Board of Directors of the Company in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rules made thereunder, read with relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended from time to time).

(b) "**Board**" means the Board of Directors of **Nityas Gems and Jewellery Limited**.

- (c) **“Employee”** means every employee (including ex-employee) of the Company (whether working in India or abroad), including the Directors in whole time employment of the Company and temporary/contractual employees.
- (d) **“Complaint”** means an expression of an improper activity, made in writing by any Director or Employee of the Company in conformity with this Policy.
- (e) **“Complainant” or “Whistle Blower”** is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.
- (f) **“Competent Authority”** means the Chairperson of Audit Committee of the Board of Directors.
- (g) **“Subject”** means an accused person against or in relation to whom an Initial Complaint or Initial Communication has been made or evidence gathered during the course of an investigation.
- (h) **“Improper Activity”** means any activity by an employee of the Company that is undertaken in performance of his or her official duty, whether or not that act is within the scope of his or her employment, and that is in violation of any law or the provisions of Company’s Code of Conduct applicable to the employees, including but not limited to corruption, bribery, theft, misuse of Company’s property, fraudulent claim, actual or suspected fraud, wilful omission to perform duty, actual or suspected leakage of unpublished price sensitive information etc.
- (i) **“Protected Disclosures”** means a bona-fide communication of any improper activity in relation to the matters concerning the Company that discloses or demonstrates information that may evidence unethical or improper activity.

The Chairman of the Audit Committee/ CEO/ Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

4. OBJECTIVE

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

A Vigil (Whistle Blower) mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism

and also provide for direct access to the Chairperson of the Audit Committee in exceptional cases.

5. WHAT ARE THE CRITERIA FOR VIGIL MECHANISM?

The important question in whistle blower policy is, '**what are the wrongdoings to be reported**'?

'Wrongdoing is 'a conduct falling along a spectrum of behaviour ranging from serious illegality to unprofessional or improper behaviour in the organisation.'

All Employees and Directors of the Company who are associated with the company can raise concerns regarding malpractices and events which may negatively impact the company such as:

- a. Inaccuracy in maintaining the Company's books of account and financial records
- b. Financial misappropriation and fraud
- c. Procurement fraud
- d. Conflict of interest
- e. False expense reimbursements
- f. Misuse of company assets & resources
- g. Inappropriate sharing of company sensitive information
- h. Corruption & bribery
- i. Insider trading
- j. Unfair trade practices & anti-competitive behaviour
- k. Non-adherence to safety guidelines
- l. Sexual harassment
- m. Child Labour
- n. Discrimination in any form
- o. The employee, and/or outside party or parties involved

6. REPORTING CHANNEL FOR WHISTLE BLOWING

Another important aspect of Whistle Blowing policy is "communicating/ reporting media channels" for reporting wrongdoings. It is important that all communications relevant to the disclosure of information along with identification of the reporting person are protected. employees can lodge a Protected Disclosure to the concerned person or chairman in any one of the following ways:

1. By sending an email to the concerned person or chairman of Audit Committee with the subject "Protected Disclosure under the Whistle Blower Policy".

2. By sending letter in a closed and secured envelop and super scribed as “Protected Disclosure under the Whistle Blower Policy” to the concerned person or Chairman’s Office, Letter should either be typed or written in a legible handwriting in English or Hindi or Gujarati.

However, employees can lodge a Protected Disclosure anonymously without disclosing the identity.

The name and address of the concerned person and chairman are as follows:

The Company Secretary

Nityas Gems and Jewellery Limited
Sector-1, 6th & 7th Floor, Ratih House,
SY-376, TPS-4, PI-7, Paiki Part-B,
Parshottam Farm Compound, Opp. Podar
Arcade, Varachha Road, A. K. Road, Surat,
Gujarat, India, 395008

The Chairman

Nityas Gems and Jewellery Limited
Sector-1, 6th & 7th Floor, Ratih House,
SY-376, TPS-4, PI-7, Paiki Part-B,
Parshottam Farm Compound, Opp. Podar
Arcade, Varachha Road, A. K. Road, Surat,
Gujarat, India, 395008

7. REPORTING GUIDELINES FOR WHISTLE BLOWING

The specific details required in a lodged complaint are: “nature of suspected violation”; “identities of persons involved”; “when did it happen”; “where it happened”; “what happened” (types of concern); “description of documents related to suspected violation”; and similar other details. The language of reporting may be English or Hindi or Gujarati.

The whistle blower shall also provide evidence if available for speedy trial and necessary actions wherever required.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance and Ethics Officer or Chairman of the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

The Whistle Blower shall be entitled to withdraw his/her complaint within 10 days from the date of lodgement with appropriate explanations in writing along with satisfactory reasons.

8. INVESTIGATION

All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.

The decision to conduct an investigation is by itself is not an accusation and is to be treated as a neutral fact-finding process.

Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities of being heard and providing their inputs during the investigation.

Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.

Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).

Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.

Subject(s) have a right to be informed of the outcome of the investigations. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Subject and the Company.

The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

9. THE NOTION OF “GOOD FAITH”

The requirement of whistle-blower disclosures in “good faith” is one of the principal components of the whistle-blower protection legislation. The notion of “good faith” requires that the person reasonably believes the reporting concern to be true or likely to be true with a belief, “on reasonable grounds”. It raises the issue of ‘integrity’ of the reporting person, ‘honest intentions’ and understanding of specific law being breached.

10. PROTECTION AGAINST VICTIMIZATION

- No adverse action shall be taken against an employee/associate or business associate in "knowing retaliation" who makes any good-faith disclosure of suspect or wrongful conduct prevailing in the Company.
- While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment, any abuse of this protection will warrant disciplinary action.
- Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

11. SUGGESTIVE PENAL PROVISIONS

The Company may take the following punitive actions against the accused, where the it finds the accused guilty:

- a. Counselling & issue of a Warning letter;
- b. Withholding of promotion / increments;
- c. Bar from participating in bonus review cycle;
- d. Termination from employment;
- e. Cancellation of Orders placed as per Purchase/ Work Order;
- f. Recovery of monetary loss suffered by the Company;
- g. Legal Suit.
- h. such other actions as the management may deem fit.

12. RETENTION OF DOCUMENTS

All The protected disclosures, Initial Communications, documented along with the results of Investigation relating thereto, shall be retained by the Company for a minimum period of 5 (five) years or as mentioned in applicable law, if any.

13. REVIEW

This policy shall be reviewed from time to time so that the policy remains compliant with applicable legal requirements. The Board of Directors of the Company, subject to applicable laws, is entitled to amend, suspend or rescind this Policy at any time in line with the Listing Regulations. In case of any conflict between this policy and Act, Rules or Regulations or any other law as may be applicable such law shall prevail.

The updated policy shall be continuously hosted on the website of the company.
